THIS PAPER IS FOR DECISION

SCOTTISH CABINET

CONSTITUTIONAL REFORM: EDUCATION: TUITION FEES AND CROSS BORDER FLOW

PAPER BY THE CABINET SECRETARY FOR EDUCATION AND LIFELONG LEARNING

Purpose

1. Cabinet is invited to agree my preferred policy approach for public presentation in the forthcoming Independence White Paper [REDACTED]

Background

2. We have a manifesto commitment in place to keep Scottish Higher Education free for Scottish students. **[REDACTED]**

[REDACTED]

[REDACTED] As the UK as a whole is a member country of the EU, rUK students are not currently classified as EU students and the Scottish Government is not obliged to treat them in the same way as Scottish students by directly funding their HE costs. As a result, fees of up to £9,000 per annum for new rUK students studying at Scottish HEIs were introduced in 2012-13.

4. The introduction of tuition fees for rUK students has, to date, allowed us to maintain a healthy mix of Scottish, rUK, EU and international students despite our close proximity to other parts of the UK and the international reputation of our universities [REDACTED]

Independent Scotland Position

[REDACTED]

The Way Forward - Options

[REDACTED

As noted in Paragraph 9, EU law requires EU students to have the same right of access to education as Scottish students. This remains the case unless a difference in treatment can be "objectively justified" (i.e. it can be proven that the conditions are necessary to attain a legitimate aim and are proportionate). This means Member States can - in certain circumstances -

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offer different entitlements to students normally resident in one Member State to students normally resident in other Member States.

[REDACTED]

MR May 2013

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ANNEX A

| | Pros and benefits | Cons and risks |
|-------------------------|-------------------|----------------|
| Option 1: [REDACTED] | • [REDACTED] | • [REDACTED] |
| Option 2: [REDACTED] | [REDACTED] | • [REDACTED] |

Annex B
[REDACTED]

White Paper: We believe that in an independent Scotland it will be possible for an objective justification for this charging regime to be established. On that basis, we consider that retention of tuition fees for students, based on residence in the rest of the UK, is an appropriate and necessary measure to ensure Scottish domiciled students continue to have access to higher education opportunities. [Page199]

[REDACTED]

It is the imposition of fees in England that has created an issue - this is the fairest solution

- The UK Govt decision to impose tuition fees of up to £27,000 south of the border created a big financial incentive for students from the rest of the UK to study in Scotland.
- Our policy recognises the need to maintain the current mix of students from different parts of the UK while ensuring that Scottish domiciled students have the opportunity to study in Scotland.
- We have taken action to ensure Scotland's universities can charge UK students no more than the maximum annual fee they could be charged to study elsewhere in the UK.
- If the UK Government change their funding policy and return to a system based on the ability to learn not the ability to pay, we will review charging arrangements.

[REDACTED]

TUITION FEE POLICY (Scotland's Future questions p449 -451)

[REDACTED]

Would Scotland still charge students from the rest of the UK tuition fees?

Yes. The divergence in funding policy between Scotland and England and the resulting disparity in the cost of a university education creates a huge financial incentive for students from England to study in Scotland. In that context, and to ensure Scottish students remain able to study at Scottish Higher Education Institutions, we propose maintaining the status quo by continuing our policy of allowing Scottish Higher Education Institutions to set their own annual tuition fees for students from the rest of the UK at a rate no higher than the maximum annual tuition fee rate chargeable to such students by universities in the rest of the UK.

[REDACTED]